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**FISCAL IMPACT STATEMENT**

**LS 6657**

**BILL NUMBER:** HB 1325

**NOTE PREPARED:** Jan 24, 2005

**BILL AMENDED:** Jan 24, 2005

**SUBJECT:** Prescription Drug Advisory Committee.

**FIRST AUTHOR:** Rep. Becker

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill extends the Prescription Drug Advisory Committee (Committee) and the members' terms to December 31, 2007. The bill requires the Committee to make recommendations before September 1, 2005, to the Secretary of the Office of the Secretary of Family and Social Services (Secretary) and the Governor concerning redesigning the Prescription Drug Program (Program) to not conflict with the federal Medicare prescription drug benefit program. The bill allows the Secretary to: (1) implement the Committee's recommendations; (2) complete federal applications; and (3) enroll eligible individuals in the state program and the federal Medicare prescription drug benefit.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** (Revised) *Summary:* The fiscal impact of this bill would consist of two parts: (1) travel expenses related to the committee meetings; and (2) the impact of the recommendations of the Committee are limited to the amount of funding available in the budget. Therefore the fiscal impact of this provision would be dependent upon the amount of funding made available to the program in the biennial budget.

This bill would extend the expiration date for the Prescription Drug Advisory Committee by two years to December 31, 2007. (The Committee's authority expires on December 31, 2005, under current statute.) The Committee consists of 11 members appointed by the Governor and 4 nonvoting legislative members. Expenses incurred by the lay members of the Committee are to be paid from the Indiana Prescription Drug Account, funds which are appropriated from the Tobacco Master Settlement Agreement Fund. Expenses of the four

legislative members are to be paid from funds appropriated to the Legislative Council from the state General Fund. Committee expenses are estimated to fall within the amount allocated for legislative interim study committees of \$8,000 annually.

The Committee is required to make program design recommendations to coordinate the Indiana Prescription Drug Program (HoosierRx) with the recently enacted Medicare prescription drug benefit. The Committee is further charged with ensuring the program maximizes federal benefits while not duplicating them. The Committee is to submit their recommended changes to the Governor and the Office of the Secretary of the Family and Social Services Administration before September 1, 2005, for program changes related to the Medicare Part D prescription drug benefit which is effective January 2006. The Committee is to make recommendations in a manner that would expend, but not exceed, the Indiana prescription drug program budget.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration, Indiana Prescription Drug Program.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Kathy Norris, 317-234-1360.